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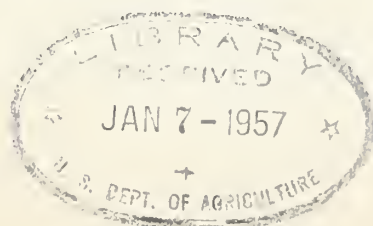
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UNITED STATES DEPARTMENT OF AGRICULTURE  
56 Agricultural Marketing Service,  
39 Washington, 25, D. C.

3 Minutes of 'Citrus Fruit Meeting Held October 12-13, 1954,' in  
Room 3709, South Building, U. S. Department of Agriculture,  
Washington, D. C.

The following members of the citrus industry were present:

<u>Name</u>	<u>Representing</u>	<u>Address</u>
Romer R. Johnson	American National Foods, Inc.	Los Angeles, Calif.
M. D. Street	Sunkist Growers	Los Angeles, Calif.
Donald R. Thompson	Sunkist Growers	Ontario, Calif.
L. H. Wohlwend	Sunkist Growers	Los Angeles, Calif.
Robbins Russel	Mutual Orange Distributors	Redlands, Calif.
Frank Seymour	Growers Administrative Committee	Lakeland, Florida
A. V. Saurman	Growers Administrative Committee	Clearwater, Florida
Marvin H. Walker	Florida Citrus Cannery Cooperative	Lake Wales, Florida
John T. Lesley	Sealdsweet Sales	Tampa, Florida
H. N. Baron	Florida Citrus Exchange	Tampa, Florida
M. E. Hearn	Florida Citrus Mutual	Lakeland, Florida
C. C. Rathbun	Florida Cannery Association	Tampa, Florida
Chas. A. Rogers	Chas. A. Rogers & Sons	Weslaco, Texas
Lorne S. Hamme	Texsun Citrus Exchange	Weslaco, Texas
Robert C. Evans	Florida Citrus Commission	Lakeland, Florida
Warren E. Savant	Florida Citrus Commission	Lakeland, Florida
Robert A. Saltzstein	Dairy Service Corporation	Washington, D. C.





## 2-Minutes of Citrus Fruit Meeting

The meeting opened at 10:00 A.M., Tuesday, October 12, 1954, with Paul A. Nicholson acting as Chairman. After an introduction of the industry and Government personnel present, the Chairman outlined the purpose and scope of the meeting. An agenda and supplemental material were distributed to the group. The Chairman introduced Mr. S. R. Smith, Director of the Fruit and Vegetable Division, as the first speaker. Mr. Smith, after welcoming the members in attendance, cited the record of the citrus industry in relation to that of the entire fruit and vegetable field. He expressed the hope that the group would come forward with an objective appraisal of not only the immediate situation but also one of the future.

Mr. Hedlund reviewed recent legislation of the 83d Congress as would affect the operations of the fruit and vegetable industry. He outlined the principal features of three legislative acts, namely, Public Laws 690, 480, and 665. P.L. 690 makes provision for certain amendments to the Agricultural Marketing Agreement Act of 1937 and, in part, provides for: (1) the continued operation of a marketing order program even though prices of the regulated commodity have reached parity; (2) the regulation of the size, capacity, weight, dimensions, or pack of the container for a commodity operating under a marketing order; (3) establishment of marketing research and development projects for such commodity; (4) the addition of grapefruit for canning and freezing as an eligible commodity for a marketing order program; and (5) adherence to regulations promulgated under an order for a like commodity imported into this country. Mr. Hedlund stated that P.L. 480 provides \$700 million for the sale of surplus agricultural commodities for foreign currencies. Section 402 of P.L. 665 authorizes the use of not less than \$350 million to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof.

The next item on the agenda related to acreage and production trends. Representatives of the Florida delegation indicated that plantings of citrus trees have slowed down somewhat during the past year. Fewer trees were delivered from the nurseries than in preceding years. This decrease, in the opinion of one member, may be partly attributable to an increasing cautiousness as to the future possibilities of frozen orange concentrate. The postwar acreage trends are up rather sharply for both Florida oranges and grapefruit. Plantings of Pink grapefruit were particularly heavy 4 or 5 years ago. No new plantings of seeded grapefruit are known to have taken place during the past year.

A spokesman for the California delegation stated that the production of Navel oranges has been fairly well stabilized and the adjustments to demand are virtually completed. Only a very slight decline in acreage may be expected during the next few years. California Navels have declined from a production level of about 22 million boxes during the war to about 14 to 15 million boxes today. No appreciable plantings of Navels are known to have





### 3-Minutes of Citrus Fruit Meeting

taken place in recent years. Acreage of Valencia oranges in southern California has moved downward to about 100,000 acres at the present time, and it appears this trend may continue through the next 4 or 5 years, leveling out to about 80,000 acres. The production level for Southern Valencias during the war years was between 65,000 and 70,000 cars, as contrasted to today's level of around 45,000 cars and perhaps 35,000 cars 5 years hence.

It was indicated that lemon acreage in California has not changed materially despite the presence of an incentive to expand. A fair share of the lemon acreage is disappearing because of population increases in the State of California, but it is believed new plantings will slightly more than offset the loss of established groves. Increases are evident in some areas, particularly the Desert Valley and Arizona, because of the processing deal. A very slight and gradual increase in acreage can be expected over the next few years.

According to the industry spokesman for Texas, approximately 85 percent of the new plantings of citrus in recent years has been Ruby Red grapefruit with some plantings of oranges. The relative position of oranges production-wise can be expected to increase materially in the next few years. Grapefruit plantings have been mostly to the Red and Pink varieties, and only a few of the White varieties have been planted. Acreage allotments, in his opinion, have not had much effect on citrus plantings--an ample supply of water has been more influential in the expansion of acreage.

It was indicated that some acreage of oranges in the State of Arizona has been removed during recent years. The principal reduction, however, has been in grapefruit because of the less favorable economic factors, particularly the subdivision of citrus tracts into residential developments. There have been some new plantings of oranges but very little, if any, of grapefruit.

Mr. Horsey delivered a report on past governmental programs for citrus fruits. It was pointed out that since World War II, the Department of Agriculture has expended over \$50 million to assist the citrus industry in the marketing of fresh and processed oranges, grapefruit, and lemons. This total expenditure was made under the authority of Section 6 of the National School Lunch Act and Section 32 of the Act of August 24, 1935, as amended. The volume and expenditures thereof by individual areas and commodities were reviewed briefly. The remainder of the report was confined to a discussion of some of the problems and other factors entering into the development and operation of the purchase and export payment program.

Representatives from each of the citrus producing areas were asked to indicate their estimates of production for the season, 1959-60. The following represents the estimates of the group:



# 4-Minutes of Citrus Fruit Meeting

(million boxes)

## ORANGES

Florida: Early and Midseason	60.0
Valencias	55.0
All	115.0
California: Navels and Misc.	15.0
Valencias	19.0
Arizona	1.5
Texas	15.0
Louisiana	*
Total - 5 States	165.5

## GRAPEFRUIT

Florida: Seedless	25.0
Seeded	20.0
All	45.0
California	2.0
Arizona	3.0
Texas	15.0
Total - 4 States	65.0

TANGERINES (Florida) 5.5

LEMONS (California) 16.5

LIMES (Florida) 750 (thousand boxes)

TOTAL - ALL CITRUS 253.3

\*Negligible.

The demand outlook for the 1954-55 season was reviewed briefly by Mr. Sindelar. The over-all level of business activity during the past 6 or 7 months was described as moving more or less on an even keel. The strongest elements in the aggregate demand picture for the current year have been consumer buying and new construction. Although total personal income has fallen below last year's level, an 8 percent drop in the annual rate of personal tax and nontax payments has placed consumer net income ahead of last year. In conclusion, it was stated there do not appear to be any exceptional disturbances in the economic picture which would cause business activity to differ materially in the immediate future from the level prevailing at this time. In connection with fruits normally considered competitive with fresh marketings of citrus, it was pointed out that the commercial crop of apples in the United States is estimated currently at about 10 million bushels above last year, but the production of Pacific Coast pears, other than Bartletts, is forecast at about 1.5 million bushels below last season.



## 5-Minutes of Citrus Fruit Meeting

The Emperor grape crop is expected to be about 26 percent larger than last year, but a larger proportion of this crop is moving to the wineries this year. As far as items competitive with the single-strength citrus juices are concerned, it appears that the total available supply of canned single-strength tomato juice will be somewhat smaller than last year because of acreage reductions in the principal producing areas. There is no reason at this time to expect that supplies of pineapple juice will differ materially from those of a year ago.

The Chairman asked the industry representatives for their opinions as to what effects the Government programs have had on the citrus industry. A spokesman for the California group commented that insofar as California is concerned the Government definitely has played a vital role in effecting an orderly adjustment within the California citrus industry. Developments in the processing field have necessitated gradual reduction in the weekly rate of shipments from California. The absence of an export market in Europe and School Lunch activities would have demoralized the market for California-Arizona citrus in some seasons. The export program, in his opinion, has provided a means for easing the marketing problem for the small size oranges which ordinarily are burdensome in the domestic market. The belief was expressed that an export payment program perhaps might not be necessary if it were not for the governments of other citrus producing countries granting direct or indirect export subsidies. It was pointed out that the Spanish freeze in 1954 temporarily increased the demand for United States oranges, but this advantage will more than likely be absent this year.

In response to the question as to whether governmental programs have encouraged new plantings of citrus over the years, the industry members present believed that such programs have not been responsible for intensifying the interest in new plantings. One member added that the United States subsidies may have encouraged production in competing foreign countries rather than in our own.

A representative of the Florida group felt that the export programs have been very helpful in assuring a steady supply. In his opinion, the industry should not be judged as guilty of planting too heavily. He contended that from the standpoint of health value properties it is better to have a plentiful supply rather than a shortage of oranges and orange juices. An industry, in his opinion, is better off to have some problems in periods of growth or decline. Years of peak production should be more than producing just enough. Variable production is a necessary attribute of the citrus industry.

Mr. S. R. Newell, Chairman of the Crop Reporting Board, addressed the group on the subject of crop estimates. He briefly outlined the scope and operations of the agricultural estimates reporting service. He discussed the problem of achieving accuracy in the periodic releases of the Crop Reporting Board. He indicated that the service is continually under pressure to develop and release more information, but the limitation of funds and an adequate





## 6-Minutes of Citrus Fruit Meeting

working force handicap expansion in this respect. Mr. Newell believed that the results of the tree survey in the State of Florida would provide basic data of value to future estimates.

Mr. Royston, of the Fruit and Vegetable Statistics Branch, outlined in some detail the problems involved in obtaining accurate estimates for the tree fruit crops and outlined the various objective measures used in deriving estimates for the citrus fruits.

Mr. H. P. Davis, Deputy Director of the Food Distribution Division, was the next speaker before the group. He pointed out the place of citrus in the School Lunch Program and noted the marked increase in the use and appreciation of citrus in the schools. Mr. Davis stated that anticipated purchases of concentrates and grapefruit sections during the winter will be about the same or a little more than last year. The quantity that the Food Distribution Division will be able to use is conditioned by: (1) The amount of money available and (2) purchases with these funds are limited to what the schools can use during the year for which the funds are provided.

Mr. D. M. Rubel, Foreign Agricultural Service, outlined the highlights of his recent trip to Europe and the prospects of trade with the Continent during the next season. He described the mechanics of past and probable trade programs of some of the various importing countries. Mr. Rubel reported that in general prospects for marketing citrus in Europe during 1954-55 appear favorable. From talks with British trade, it appeared that market requirements would call for total fresh imports from the United States of at least 1-1/4 million boxes of oranges, one-fourth million boxes of grapefruit, and one-fourth million boxes of lemons. The United Kingdom undoubtedly would like to have more concentrated orange juice with a future goal of about 1 million gallons a year. They are currently committed to Jamaica for 80,000 to 100,000 gallons. Current prospects would indicate that perhaps as high as 4.5 million boxes of United States oranges and from 500,000 to 600,000 boxes of lemons could be moved into European countries other than the United Kingdom during the 1954-55 season and about 400,000 boxes of grapefruit to the same markets. Total apparent requirements from the United Kingdom trade point to around 1-1/4 to 1-1/2 million cases of grapefruit sections, of which about 500,000 cases would be obtained from non-United States sources. Export trade on grapefruit sections would be largely to the United Kingdom. Last year the United States shipped about 1.0 million cases of canned single-strength citrus juices to Europe, and this year it was indicated that shipments of these juices to Europe could reach 1.4 or 1.5 million cases.

Mr. Rubel also reported on information he had obtained concerning the condition of fruit upon arrival in Europe during the last season. The condition of lemons upon arrival were reported as exceptionally good, and oranges, in general, were rather favorable. Unfavorable reports concerned the arrival of summer grapefruit from California.





## 7-Minutes of Citrus Fruit Meeting

Mr. Rubel was questioned concerning the prospects of the United Kingdom taking fresh oranges from the United States without a subsidy attached. His reply indicated the United Kingdom would not take any oranges under a subsidy program. They were, however, naturally interested in taking commodities under some sort of a program involving sterling rather than dollar expenditures.

The meeting adjourned at 4:35 P.M., and reassembled at 9:30 A.M. on Wednesday, October 13, 1954.

The Chairman asked the industry representatives to indicate the probable utilization of the individual citrus fruits by areas during the 1954-55 season. The following summarizes the estimates of the group:

	<u>Production</u>	<u>Fresh use/1</u>	<u>Processed/2</u>
	- - -	thousand boxes	- - -
<u>ORANGES</u>			
Florida (all)	96,000	28,000	68,000
California-Arizona:			
Navels & Miscellaneous	16,450	13,450	3,000
Valencias	24,000	16,000	8,000
Texas	2,300	2,300	--
Louisiana	200	200	--
Total - 5 States	138,950	59,950	79,000
<u>GRAPEFRUIT</u>			
Florida (all)	36,500	18,700	17,800
California-Arizona:			
Summer	2,000	1,500	500
Winter	3,500	2,500	1,000
Texas	3,700	3,000	700
Total - 4 States	45,700	25,700	20,000
<u>TANGERINES</u> (Florida)	5,400	4,200	1,200
<u>LEMONS</u> (California)	13,500	8,000	5,500
<u>LIMES</u> (Florida)	420	250	170
TOTAL - ALL CITRUS	203,970	98,100	105,870

/1 Includes quantities not utilized, farm use, and total fresh sales.

/2 Includes the following quantities to be utilized in the production of frozen concentrated citrus juices (1,000 boxes): ORANGES - Florida, 55,000; California-Arizona Valencias, 1,500; GRAPEFRUIT - Florida, 2,500; LEMONS, 1,900; LIMES: 170.



## 8-Minutes of Citrus Fruit Meeting

The Chairman asked the industry group present to indicate their recommendations for the 1954-55 season. A spokesman for the California delegation asserted that although it was not the desire of the citrus industry to rely indefinitely upon the Government's export payment program, there were three reasons why governmental assistance should be given: (1) Temporary assistance is needed during the period of readjustment through which the industry is now moving. (2) If this country is to have an abundant supply of any agricultural commodity, there are likely to be some years during which the supply is more than sufficient for domestic needs. Therefore, if the theory of abundance is to be accepted, some form of assistance is in order. (3) The framework of legislation within which the industry is forced to operate suggests another need for assistance so as to establish a fair and equitable relationship between supported and nonsupported commodities. Fruits and vegetables are classed as perishables and as such are not generally storable and far less controllable from the standpoint of production than are the basic commodities. In addition, it was contended that an export payment program is necessary if the domestic industry is to remain competitive with other producing countries. Foreign governments grant subsidies directly or indirectly through exchange rates, convertibility of currencies, reduced ocean freight rates, etc. It was stated that there are indications importers in many of the major foreign markets desire American fruit, but producers of other fruits in these countries are reluctant to have citrus come in because of competition with the fruits produced locally.

The California delegation recommended that the export payment program be continued for citrus and the rate of payment be established at \$1.00 per box for oranges. In connection with lemons, the California representatives stated that the industry in their request for assistance would not seek an export payment program. The spokesman cited the inequitable treatment accorded United States producers through the importation of lemon products into this country which produces over one-half of the world's supply of lemons.

Representatives from Florida declared that the problem is somewhat more acute for grapefruit than it is for oranges, and therefore assistance through further expansion in the school lunch and export outlets would be most helpful to the producers of Florida grapefruit. It was recommended the rate of payment on fresh grapefruit be raised to \$1.00 per box. The continuation of an export payment program, it was stated, would be a key to developing a foreign market for U. S. grapefruit and ultimately building a permanent or sustained demand for our grapefruit.

A member of the California group asked that a product known as manufacturers' concentrate be admitted as an eligible commodity to the export payment program, and a Florida representative requested the addition of crystals. It also was asked that some of the nations in Pacific Area be re-instated to the program.

The spokesman for the Texas industry proposed that the rate of payment for grapefruit be established at \$1.00 per box.





## 9-Minutes of Citrus Fruit Meeting

Industry representatives present recommended that the school lunch program be expanded beyond that indicated by the Deputy Director of the Food Distribution Division in his discussion with the group. The recommendations in particular asked for increased quantities of orange concentrates and canned grapefruit sections.

The Administrator of Agricultural Marketing Service, Mr. O. V. Wells, briefly addressed the group. He cited accomplishments of the citrus industry and commended the group for its realistic and harmonious efforts in working toward the solution of the problems facing the industry today.

Department representatives stated that the recommendations of the industry group would be given careful study and consideration.

Mr. Shelby Robert addressed the meeting on the subject of the Department's contract with the Market Research Corporation of America. He outlined the nature of the changes that are being made in the historical data on consumer purchases. In addition, Mr. Robert outlined the manner in which future charges for the services performed by the Market Research Corporation will be allocated among the industry groups.

Mr. W. T. Pentzer spoke on the subject of quality maintenance and described the research activities of his agency directed toward improving methods of shipping citrus fruits. He outlined the experiments to be conducted in the near future on a shipment of citrus fruits to Europe. These tests would undertake to examine the handling, packaging, temperatures in transit, condition upon arrival, and condition of fruit in the subsequent channels of distribution. Mr. Pentzer also dwelt on the subject of precooling and refrigeration in transit for shipments moving abroad and the various types of wraps or liners that can be used advantageously in moving the fruit from producer to consumer.

The next subject of discussion undertaken by the group concerned the operational details of a program in the event industry recommendations were to be adopted. Industry members were queried on the subjects of precooling and refrigeration, time or place of inspection, grade requirements, acceptable containers, and permissible period for shipments. The representative from Texas contended that insofar as Texas grapefruit is concerned refrigeration should not be held mandatory, since grapefruit produced in that State tends to become spotted when shipped under refrigeration. Representatives from all areas concurred in the necessity for requiring the use of biphenyl liners or individual wraps. Mr. Conklin commented on the subject of established grades and permissive tolerances as well as inspection provisions for fruit moving under past export payment programs. No apparent objections were voiced to the question of whether the maximum of 16 days between inspection and loading-on-ship, as established under past programs, could be reduced to a lesser number of days. The Texas delegate requested that the rate of payment under the export program, if established, be applicable to the 1-2/5 bushel box inasmuch as Texas producers handling 90 percent of the tonnage have agreed to ship almost exclusively in this size of container.

The meeting adjourned at 4:05 P.M.





